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WORLD TALLOW PRODUCTION AND TRADE

Summary

World production of tallow and greases continued to rise in 1967 and set a new high of 8,860 million pounds--up 2.3 percent from the 8,660 million produced in 1966. Total trade was up from 1966, with exports setting a new high of 3,460 million pounds. Both production and trade are expected to continue upward during 1968.

Production

Production of tallow and greases in the world's major producing countries in 1967 was estimated at 8,860 million pounds, up 2.3 percent from 1966 and 12.7 percent from the 1961-65 annual average. This increase was related to the 2-percent increase in world beef production.

All producing countries showed gains over 1966 except Australia, Turkey, the Republic of South Africa, Sweden, and Chile. Canada recorded the largest increase, 12 percent, followed by Argentina with 8, France with 6, the United Kingdom, the United States and New Zealand with about 3 percent each. Australia showed a decline of almost 11 percent from last year.

North America. This region's production in 1967 rose to 5,550 million pounds, 3 percent above the 5,380 million produced in 1966. The increase resulted from a significant rise in cattle slaughter, particularly in the United States. U.S. production totaled 5,173 million pounds, compared with 5,037 million produced in 1966, and accounted for most of the absolute gain in both this region's and the world's production. Canadian and Mexican production were up 12 and 3 percent, respectively, from the 1966 levels, but still represent only about 6 percent of the North American total.

South America. Tallow and grease production rose to 560 million pounds from 530 million in 1966, an increase of 5.7 percent. Argentina accounted for most of the gain. Production in this country was up almost 9 percent from the 1966 level of 284 million pounds.

Europe. Production in Western Europe was 1,440 million pounds, compared with 1,400 million in 1966. This was a 3 percent increase. The largest percentage increases were recorded in France, the United Kingdom, Belgium, and Italy. Production in West Germany and Denmark equaled last year's, while Sweden's output declined slightly.

Output in Eastern Europe, excluding the USSR, increased 10 million pounds over the 1966 level of 150 million. All countries in this region showed slight gains over the previous year. Production in the USSR approximated the 490 million pounds produced in 1966.

Oceania. Total production was down almost 7 percent from 1966. The 11-percent drop in Australia more than offset the 3-percent increase in New Zealand. Australian production has declined for the second consecutive year from the 1965 high of 437 million pounds, while production in New Zealand has continued upward since 1965.

Production Outlook. World tallow and grease production in 1968 is expected to show a slightly larger percentage increase than that recorded for 1967. Output is expected to rise in all continents. This increase in production is related to the slaughter of more fed cattle at heavier slaughter weights. Also, more boneless and primal cuts of beef are entering world trade, making more trim and waste available for rendering.

Trade

World exports during 1967 reversed their downward trend from the previous 1964 high and set a new record of 3,460 million pounds. All major producer-exporters recorded gains, with the United States, Australia, Argentina, and New Zealand, showing the largest percentage increases from the previous year.

(Text continued on page 13)

Table 1.--Tallow and greases 1/: Estimated production for specified countries, average 1961-65, annual 1965-67

Continent and country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
North America:				
Canada	231	259	246	275
United States	4,602	4,913	5,037	5,173
Mexico	65	67	69	71
Total North America 3/	4,930	5,270	5,380	5,550
South America:				
Argentina	263	238	284	308
Brazil	118	117	113	115
Chile	19	18	18	17
Colombia	42	43	40	41
Paraguay	13	14	14	---
Peru	14	13	15	15
Uruguay	40	45	35	36
Venezuela	---	---	13	13
Total South America 3/	520	500	530	560
Europe:				
Western:				
EEC:				
Belgium and Luxembourg	41	40	43	48
France	262	295	307	324
Germany, West	149	176	178	178
Italy	101	101	121	128
Netherlands	98	112	120	123
Total EEC	651	724	769	801
Denmark	85	99	112	112
Spain	39	37	42	44
Sweden	48	56	68	67
United Kingdom	285	309	318	329
Total Western Europe 3/	1,190	1,310	1,400	1,440
Eastern:				
Bulgaria	15	17	---	---
Czechoslovakia	24	26	27	---
Germany, East	23	24	28	---
Hungary	13	12	12	---
Poland	47	48	49	---
Yugoslavia	16	13	18	---
Total Eastern Europe 3/	140	140	150	160
Total Europe 3/	1,330	1,450	1,550	1,600
USSR	420	450	490	490
Africa:				
United Arab Republic	18	16	18	---
South Africa, Republic of	13	14	15	13
Total Africa 3/	31	30	33	30
Asia:				
Iran	---	30	30	32
Turkey	13	12	14	11
Japan	20	24	17	16
Philippines	1	1	1	1
Total Asia 3/	60	70	60	60
Oceania:				
Australia 4/	377	437	421	376
New Zealand 5/	187	176	188	193
Total Oceania	564	613	609	569
Total World 3/	7,860	8,380	8,660	8,860

1/ Includes edible and inedible tallow and greases. 2/ Preliminary. 3/ Includes an allowance for any missing data from countries shown and minor producing countries not shown. 4/ Year ending June 30. 5/ Year ending September 30.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

June, 1968.

Table 2.--Tallow and greases 1/: U.S. and world production and exports, averages 1956-60, 1961-65, and annual 1965-67

Year	World		United States			
	Production	Exports	Production	Exports	Exports as percent of World exports	Exports as percent of U.S. production
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
Averages:						
1956-60....	6,430	2,010	3,546	1,459	73	41
1961-65....	7,860	2,880	4,602	1,979	69	43
Annual:						
1965.....	8,380	3,100	4,913	2,141	69	44
1966.....	8,660	3,020	5,037	1,988	66	39
1967 2/....	8,860	3,460	5,173	2,238	65	43

1/ Includes edible and inedible tallow and greases. 2/ Preliminary.

Table 3.--Tallow and greases 1/: Exports from specified countries, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
United States.....	1,979	2,141	1,988	2,238
Australia 3/.....	217	225	154	236
Germany, West.....	115	138	150	176
Argentina.....	53	63	132	4/ 170
New Zealand 3/.....	145	135	117	149
Canada.....	117	137	126	139
France.....	59	51	64	67
Denmark.....	43	50	64	62
Netherlands.....	22	36	49	41
Sweden.....	27	34	40	41
Belgium and Luxembourg.....	19	22	30	33
USSR 4/ 5/.....	23	19	34	---
Others.....	61	49	72	108
Total.....	2,880	3,100	3,020	3,460

1/ Includes edible and inedible tallow and greases. 2/ Preliminary. 3/ Year ending June 30. 4/ Source: Oil World. 5/ Includes other inedible oils and fats.

Table 4.--Tallow and greases 1/: Imports into specified countries, average 1961-65, annual 1965-67

	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
Japan 3/	438	511	591	577
Netherlands	268	259	280	367
India 4/	13	11	96	5/ 258
Italy	237	200	259	235
Germany, West	174	187	186	192
Spain	128	146	153	149
United Arab Republic	112	114	100	5/ 128
United Kingdom	183	219	181	121
France	47	81	56	96
Pakistan 6/	68	45	5/ 35	5/ 88
Belgium and Luxembourg	49	71	85	86
South Africa, Republic of	85	88	73	75
Korea, South	34	31	47	64
Colombia	40	47	84	54
China, Taiwan	41	41	46	5/ 51
Poland	95	112	5/ 43	5/ 46
Ecuador	28	37	43	43
Iran 4/	28	37	39	40
Morocco	25	28	31	33
Ghana	15	18	24	31
Peru 3/	28	22	47	27
Yugoslavia	27	36	2	5/ 27
Venezuela	16	21	20	21
Philippines	22	20	20	20
El Salvador	14	16	18	20
Turkey	43	13	35	19
Canada	31	28	5/ 18	5/ 18
USSR 5/	112	114	100	---
Others	249	217	206	150
Total	2,650	2,770	2,920	3,040

1/ Includes edible and inedible tallow and greases. 2/ Preliminary. 3/ Includes hog grease. 4/ Year ending March. 5/ Source: Oil World. 6/ Year ending June.

Table 5.--Inedible tallow and greases 1/: U.S. exports by country of destination, average 1961-65 and annual 1965-67

Continent and country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
North America:				
Canada	28	21	15	12
El Salvador	13	10	13	13
Guatemala	17	20	22	31
Honduras	4	3	5	7
Mexico	4	4	6	4
Dominican Republic	7	8	12	14
Haiti	9	9	10	13
Jamaica	5	9	9	7
Other countries	3	4	7	9
Total	90	88	99	110
South America:				
Colombia	26	19	19	43
Ecuador	23	24	37	26
Peru	29	30	31	24
Venezuela	17	15	19	19
Other countries	8	6	4	1
Total	103	94	110	113
Europe:				
EEC:				
Belgium	22	12	15	13
France	18	33	9	28
Germany, West	91	71	77	51
Italy	183	115	150	114
Netherlands	225	207	184	192
Total EEC	539	438	435	398
Greece	6	7	3/	2
Norway	3	4	5	3
Portugal	9	16	15	20
Spain	99	92	120	107
Switzerland	35	46	22	37
United Kingdom	42	83	62	56
Czechoslovakia	2	---	3	---
Hungary	2	6	2	---
Poland	82	95	37	32
Yugoslavia	24	35	2	6
Other countries	5	5	1	1
Total	848	827	704	662
USSR	121	186	83	---
Africa:				
Algeria	8	24	24	20
Morocco	22	27	28	24
UAR	94	80	93	129
Ghana	12	16	14	34
Ivory Coast	4	4	2	15
South Africa, Republic of	31	37	22	18
Other countries	8	13	11	14
Total	179	201	194	254
Asia:				
Iran	31	28	33	38
Turkey	32	14	64	5
China, Taiwan	42	39	48	51
India	19	91	28	252
Japan	390	465	496	557
Korea, South	34	34	54	62
Pakistan	48	33	35	88
Philippines	20	16	12	14
Other countries 4/	9	10	12	15
Total	625	730	782	1,082
Total World	1,966	2,126	1,972	2,221

1/ Includes inedible tallow, animal greases, animal oils and choice white grease. 2/ Preliminary. 3/ Less than 500,000 pounds. 4/ Includes shipments to Oceania.

Compiled from reports of the U.S. Department of Commerce.

Table 6.--Tallow and greases 1/: Australian exports by country of destination, average 1961-65, annual 1965-67 2/

Country	Average 1961-65	1965	1966	1967 3/
	Million pounds	Million pounds	Million pounds	Million pounds
South Africa, Rep. of...	37	33	20	39
EEC:				
Netherlands.....	4	4	6	35
Italy.....	6	3	6	6
Other.....	2	3	3	1
Japan.....	29	16	7	30
India.....	5	6	4/	23
Pakistan.....	10	10	14	22
United Kingdom.....	30	43	10	17
Burma.....	8	9	13	14
Thailand.....	4	5	6	7
Philippines.....	2	3	4	7
Ceylon.....	7	9	9	6
Malaysia.....	14	18	9	5
Mozambique.....	7	4	5	4
Kenya.....	5	9	3	3
Mauritius.....	---	---	1	3
Rhodesia.....	1	6	9	3
Zambia 5/.....	1	4/	2	2
New Guinea and Papua....	2	2	4	2
China, Mainland.....	20	27	10	---
Other.....	23	15	13	7
Total.....	217	225	154	236

1/ Includes edible and inedible tallow and greases. 2/ Year ending June 30. 3/ Preliminary. 4/ Less than 500 pounds. 5/ Formerly Northern Rhodesia.

Table 7.--Tallow and greases: West German exports by country of destination, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
Netherlands	30	39	33	60
Italy	17	23	34	34
France	11	16	22	31
Belgium and Luxembourg	8	21	27	18
United Kingdom	15	14	12	11
Switzerland	8	10	8	10
United Arab Republic	6	6	4	3
Finland	1	2/	1	1
Spain	2	3	1	2/
Hungary	6	1	2	2/
Poland	1	---	1	2/
Czechoslovakia	2	2/	2/	2/
Others	8	5	5	8
Total	115	138	150	176

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 8.--Tallow and greases: Argentine exports by country of destination, average 1961-65; annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
Netherlands	4	5	8	45
Italy	8	8	13	44
Brazil	6	1	7	21
Spain	1	1	8	10
Ecuador	1	2	1	7
Colombia	12	26	62	7
Morocco	2/	2/	1	6
South Africa, Rep. of	1	2	1	5
France	2	3	6	3
Chile	8	4	7	1
Others	10	11	18	21
Total	53	63	132	170

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 9.--Tallow and greases: New Zealand exports by country of destination, average 1961-65, annual 1965-67 1/

Country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	35	49	24	28
South Africa, Rep. of	12	11	14	19
Japan	12	16	11	18
China Mainland	28	12	26	12
Malaysia	6	10	3	11
India	8	3	3/	9
Burma	6	3	3	8
EEC:				
Netherlands	1	4	4	6
Other	1	4	2	1
Mozambique	3	4	3	6
West Indies Federation	3	3	2	6
Philippines	3/	2	3	5
Australia	3/	1	4	3
Others	30	13	18	18
Total	145	135	117	149

1/ Year ending June 30. 2/ Preliminary. 3/ Less than 500,000 pounds.

Table 10.--Tallow and greases: Canadian exports by country of destination, average 1961-65 and annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	42	45	38	42
Japan	21	26	18	27
Netherlands	6	14	15	24
Pakistan	---	---	11	13
South Africa, Rep. of	5	13	8	9
United States	2	1	5	9
Ghana	1	---	3	4
West Indies Federation	4	5	4	4
El Salvador	1	2	1	2
Ecuador	3	8	2	2/
Cuba	26	14	18	---
Others	6	9	3	5
Total	117	137	126	139

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 11.--Tallow and greases 1/: Japanese imports by country of origin, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	377	460	512	512
Canada	20	26	19	32
Australia	27	9	23	17
New Zealand	11	8	18	11
Hong Kong	3	8	12	3
Others	---	---	7	2
Total	438	511	591	577

1/ Includes edible and inedible tallow and inedible fats. 2/ Preliminary.

Table 12.--Tallow and greases 1/: Netherlands imports by country of origin, average 1961-65 and annual 1966-67

Country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	202	173	165	199
Germany, West	33	47	45	66
Canada	3	8	8	22
Denmark	13	15	20	18
Argentina	1	2	1	16
United Kingdom	1	1	5	14
Belgium and Luxembourg	6	3	9	9
Germany, East	1	3	5	6
France	2	3/	1	5
Australia	3	4	17	7
New Zealand	1	2	3	4
Others	2	1	1	1
Total	268	259	280	367

1/ Includes inedible hog grease, tallow, animal fats, neatsfoot oil and bone fat. 2/ Preliminary. 3/ Less than 500,000 pounds.

Table 13.--Tallow and greases 1/: Italian imports by country of origin, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 2/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	193	148	186	133
Argentina	7	7	4	44
Germany, West	16	24	34	33
Switzerland	1	1	5	7
Yugoslavia	1	5	3	2
Australia	6	3	7	---
Others	13	12	20	16
Total	237	200	259	235

1/ Includes inedible tallow, inedible animal fats and edible tallow.
2/ Preliminary.

Table 14.--Tallow and greases: West German imports by country of origin, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	118	109	90	82
Denmark	14	18	21	24
Sweden	13	17	19	20
Netherlands	8	14	17	14
Belgium and Luxembourg	4	8	13	13
United Kingdom	3	3	7	10
Canada	2	5	6	6
France	3	3	3	6
Norway	3	4	2	5
Others	6	6	8	12
Total	174	187	186	192

1/ Preliminary.

Table 15.--Tallow and greases: Spanish imports by country of origin, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
United States	100	121	127	124
Argentina	1	1	4	15
France	16	13	16	3
Netherlands	1	2/	1	1
Germany, West	4	4	2	2/
Denmark	2	3	2	2/
Others	4	4	1	6
Total	128	146	153	149

1/ Preliminary. 2/ Less than 500,000 pounds.

Table 16.--Tallow and greases: United Kingdom imports by country of origin, average 1961-65, annual 1965-67

Country	Average 1961-65	1965	1966	1967 1/
	Million pounds	Million pounds	Million pounds	Million pounds
Canada	47	43	38	44
Ireland	17	11	13	21
United States	27	58	39	20
New Zealand	32	35	30	13
Germany, West	15	14	12	11
Australia	25	26	16	6
Denmark	1	2	3	4
Sweden	1	2	2	2
Others	18	28	28	---
Total	183	219	181	121

1/ Preliminary.

U.S. World's Largest Exporter. The United States continues to be the world's largest exporter of tallow and greases. Shipments in 1967 totaled 2,238 million pounds, compared with 1,988 million in 1966. However, its percentage share of world trade continued to drift downward and represented 65 percent of total exports, compared with 66 percent in 1966, 69 percent for the 1961-65 period, and 73 percent for the 1956-60 period. As a percent of domestic production, exports last year were up to 43 percent from 39 percent in 1966 but equaled the 1961-65 annual average of 43 percent. Combined exports from the major U.S. competitors--Australia, West Germany, Argentina, New Zealand, and Canada--accounted for 25 percent of world trade in 1967, compared with almost 23 percent in 1966.

Exporters Markets for Tallow. The major markets for U.S. tallow and greases during 1967 were Japan, India, the Netherlands, UAR (Egypt), Italy, and Spain. The principal foreign markets for Australian tallow were the Republic of South Africa, the Netherlands, and Japan. West Germany's shipments were virtually all to other members of the EEC--the Netherlands, Italy, France, and Belgium. Argentina's largest foreign outlets included the Netherlands, Italy, and Brazil. The United Kingdom continued to be the major market for both New Zealand and Canada.

Export Outlook. World exports for 1968 are expected to rise about 5 percent from those in 1967, which will keep world prices under pressure during the remaining months of 1968. A larger carry-in along with the continued rise in domestic production is increasing supplies available for foreign shipment. These larger availabilities, plus continued competitive price pressure from synthetic materials and marine oils, have depressed tallow prices. The domestic price for U.S. inedible tallow in 1967 averaged 5.4 cents per pound. This dropped to 4.5 cents per pound in early July 1968, the lowest since 1953.

World Tallow Imports. World imports of tallow and greases in 1967 rose to 3,040 million pounds from 2,920 million in 1966. Despite smaller takings by the world's largest importers, such as Japan, Italy, Spain, and the United Kingdom, combined larger imports by India, the Netherlands, Pakistan, South Korea, Yugoslavia, France, and the UAR (Egypt) were sufficient to result in a gain over the previous year.

Japan World's Largest Importer. Japan continues to be the world's largest importer of tallow and grease and is the major market for U.S. exports, accounting for about 25 percent of the total. In 1967 Japan imported 577 million pounds, 19 percent of total world imports; 89 percent of it came from the United States.

Western Europe imported 43 percent of total world imports, with the Netherlands and Italy the major markets during 1967, accounting for 12 and 8 percent, respectively. The United States was the major supplier to Spain (83 percent of its imports), Italy (57 percent), the Netherlands (54 percent), West Germany (43 percent), and the United Kingdom (36 percent).

The larger imports recorded by India, Pakistan, South Korea, and Ghana were attributed to the resumption of imports from the United States under Public Law 480 programs. Exports under these programs for 1968 are expected to exceed those for 1967.

Import Outlook. The world import demand for tallow and greases is expected to continue upward. Currently, tallow is being substituted for coconut and palm kernel oils in soaps in some countries. Its use in animal feeds continues to grow and will as long as prices remain at levels which make its use economically feasible. This increased demand is expected to steady the trend in prices to levels somewhat firmer than those for early 1968.

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